

ENCLOSURES TO THE BUREAU

RE: SAMUEL EZEKIEL KLAUS
ESPIONAGE - IS

WFO FILE NO. 62-5309

tion organizer on the East Side for the Communist Party.

Now the State Department, according to the article by Mr. Panuch, discovered, in October 1946, that the New York City Police Department had some information concerning one Tony Whales—or Wales. What did the State Department do when they discovered in October 1946 that Marzani was or had been a member of the Communist Party? Did they exercise their authority under the McCarran rider and discharge him as a security risk? Marzani was discharged under the McCarran rider because he had falsified to the State Department regarding his Communist affiliations. Even this action was not taken on the information in the files of the Civil Service Commission or the New York City Police Department. This action was taken only after a detective in the New York City Police Department had identified photographs of Marzani as being the Tony Whales—or Wales—the subject of the information in the files of the New York City Police Department.

Of course, the State Department should have removed Marzani from the service in October 1946 when they became aware of the information in the files of the New York City Police Department. But they waited for proof that Marzani had committed a crime, or as Messrs. Peurifoy and Robinson say, proof of an overt act.

If persons of responsibility in sensitive Government agencies wait until they obtain proof of an overt act or proof that an employee had committed a crime before they rid the Government service of persons whose employment constitutes a security risk, then it is time to supplant those officials with men who are aware of such danger.

The transcript of the hearing on appropriations for the State Department before the subcommittee of the Committee on Appropriations of the House of Representatives is persuasive proof of the incompetence and lack of qualifications of not only Mr. Hamilton Robinson, but also of Mr. Peurifoy.

Much emphasis was made by Mr. Peurifoy and Mr. Robinson at the hearings before the subcommittee in depreciation of the guilt-by-association idea. In other words, the unreasonable doubt should not be had of an employee's loyalty merely because he was seen in the company of known Soviet agents. Yet section 4 of the State Department order on dismissal grounds of suspected employees written by Mr. Robinson reads as follows:

4. A person who has habitual or close association with persons believed to be in category 1 or 2 above to an extent which would justify the conclusion that he might, through such association, voluntarily or involuntarily divulge classified information without authority.

The two categories mentioned in the above paragraph are:

1. A person who engages in, supports, or advocates treason, subversion, or sedition, or who is a member of, affiliated with, or in sympathetic association with the Communist, Nazi, or Fascist parties, or of any foreign or domestic party, organization, movement, group, or combination of persons which

seeks to alter the form of government of the United States by unconstitutional means or whose policy is to advocate or approve the commission of acts of force or violence to deny other persons their rights under the Constitution of the United States; or a person who consistently believes in or supports the ideologies and policies of such a party, organization, movement, group, or combination of persons.

2. A person who is engaged in espionage or who is acting directly or indirectly under the instructions of any foreign government; or who deliberately performs his duties, or otherwise acts to serve the interests of another government in preference to the interest of the United States.

I submit that using the old clichés of not judging a man too harshly because of his associates such as were used by Mr. Robinson and Mr. Peurifoy at the recent hearings goes counter to their own views as expressed in the sections quoted above.

The critical situation of the United States because of the continued encroachments of the Soviet Union in its cold war to extirpate democracies does not permit us to make fine distinctions now as to a man's loyalty, security, integrity, and discretion. We should not be deterred from our duty by shibboleths of civil liberties, freedom of speech, or association or any of the cloaks which an incompetent, or worse, uses to protect himself. So long as the causes for this critical situation exist, the State Department as an outpost in foreign policy should be inviolable. It should be like Caesar's wife, and it is utter nonsense to be confronted with case after case of reasonable doubt as to an employee's loyalty only to find Mr. Robinson clearing him or waiting for proof of an overt act.

I submit that association of an employee with suspected agents is a matter of extreme urgency. No bank would continue to employ a teller as cashier who was known to associate with gamblers. Recognized police procedure places great emphasis on criminal associations. I maintain it is criminal malfeasance in such critical times not to take instant, summary action on a prima facie case of this kind.

With the foreign situation as delicate as it is now, it is a mystery to me how our State Department can be so careless as to harbor in it questionable persons having access to secret material. It is a mystery how important officials can in essence require almost incontrovertible direct evidence before taking action, yet our courts can convict on circumstantial evidence. Are we to learn nothing from the experience of Czechoslovakia and France before World War II, of the numerous other countries whose inertia, complacency, and stupidity permitted the infiltration of disloyals or incompetents whose acts helped undermine the fabric of those countries?

THE GERMAN SCIENTIST PROGRAM

In an article in the March 1948 issue of the American magazine, the Honorable HARRY F. BYRD, United States Senator from Virginia, relates how the German scientists are now being used by the United States for research in the fields of jet propulsion, rocket propulsion, aero-

dynamics, thermodynamics, supersonics, and other fields. After the cessation of hostilities in Europe, a race was on between the United States, Great Britain, and Russia to grab the German scientists. Senator BYRD writes that none of these Germans has been given a State Department entry visa or allowed to apply for American citizenship. A special contract was worked out which made the Germans civilian employees of the Army in Europe, assigned to temporary duty in the United States. Bringing these German scientists into the United States whereby this country could profit from their knowledge was delayed for months while the War and State Departments deliberated over the contract.

Small numbers were brought over at first and kept under conditions similar to prisoners of war. Senator BYRD writes:

Theoretically they were paid salaries, but they never saw the money. All of it went to their families or dependents, who weren't allowed to leave Germany.

On the question as to whether these German scientists would make good American citizens Senator BYRD continues:

General Putt thinks "that those we have recommended for visas would make as good Americans, from the standpoint of loyalty, as the average flow of immigrants common to the history of our country. Intellectually, of course, they have proved their special values."

But the State Department apparently is not so sure. It is represented as feeling that, if naturalized, the Germans would be subject to much less surveillance—no mail censorship or control of movement about the country, for instance—and couldn't be held to work contracts for the armed forces or their industrial contractors. About 60 of the Air Force's Germans have been recommended for entry visas, with which they could file their first naturalization papers. So far the State Department has issued no visas.

Several weeks ago a radio program featured a story of an attempt of our military authorities to bring into the United States the scientists in Germany who had for years been experimenting in the development of new weapons of warfare. It was stated that—

About the middle of 1946 the program planning was completed. It was approved by the President; it was approved by the Army and Navy; it was approved by the Acting Secretary for the State Department; and it was approved by the Justice Department, which includes the Immigration Service. It was the understanding of everybody that the Army and Navy would screen these scientists in Germany before bringing them over. Nobody wanted any Nazis. But with everything all set the program began running into trouble. Even though it had been approved by the State Department, the Joint Chiefs of Staff couldn't get the project past the State Department Office of Controls, which includes the Visa Division.

In a later broadcast the same commentator said that he learned—

That the Army and Navy are not the only ones who've been given the runaround by this same little clique in the State Department Office of Controls, which is under the direction of Hamilton Robinson. Various big industrial corporations have been trying to get State Department permission to bring German scientists into this country. These corporations want the German technicians so

that they can get the advantage of their industrial knowledge. They've found a great many scientists in Germany who would be able to improve American production methods and efficiency. It would mean, in many cases, lower prices, better products, and expanded production, plus, of course, more American jobs. The companies have approached the scientists and have persuaded them to come to this country. The only thing necessary is to obtain the approval of the State Department. And once again the matter rests with the Office of Controls and Hamilton Robinson.

All of this causes one to wonder why any person with so little experience in highly important Government matters as Mr. Robinson has is enabled to wield such influence in important matters of state.

Let us remember the testimony of Mr. Peurifoy before the subcommittee of the Committee on Expenditures in the Executive Departments on March 10, 1948, when he said:

Now, mind you, I say what I was looking for was an administrator, not a top investigator as such. I wanted a man with sound judgment.

We look to the remarks of the commentator for further enlightenment of Mr. Robinson's duties as an administrator and if he possesses the sound judgment Mr. Peurifoy was looking for. The radio commentator said:

And there's one very strange feature about this whole affair. The Office of Controls is a little agency within the State Department which has no readily apparent reason for existing. It was set up in one of the State Department's reorganizations in 1944, but was never staffed until 1946. At that time it became a sort of an overlord to a number of divisions within the State Department. They'd been functioning very well on their own before the Office of Controls was ever thought of. One part of the Office of Controls is the Visa Division. That is the division which normally would have handled this matter of the German scientists, and which actually is handling it now, but under the direction of the Office of Controls. The Visa Division has tried to cooperate in this program, but the Office of Controls has stepped in and taken the matter out of the Division's hands. That's just a part of the story. The program is being hamstrung and the ax work is being done by an office in the State Department, the very existence of which nobody in the State Department can fully explain.

So we find an article written by a respected and honored Member of Congress published in the American magazine and radio commentators broadcasting about the inability of our Government to utilize the German scientists in matters that are vital to the very existence of our country. What are the facts surrounding this situation? If a committee of Congress calls on any agency in the executive branch of the Government for facts we are met with the statement that such facts have to do with security matters and cannot and will not be given to the legislative branch of the Government. We have tried arguments, pleas, subpoenas, and we have remonstrated, but all to no avail.

So now we are compelled to say let the State Department deny or affirm that the following incidents have occurred as a result of the military's ef-

forts to bring the German scientists to this country:

That after VE-day the military began bringing over small numbers of these German and Austrian scientists under a program which authorized their entry with a view toward immigration after arrival. The technical know-how gleaned from these scientists astounded the military authorities and as a result of this experiment it was decided, for the first time in the history of the world, to exploit brains as a part of war.

That from the very first instance it was recognized that in order to get the most out of these scientists it would be necessary to give them some definite assurance of permanency by allowing them the privilege of immigration if they proved to be worth while future citizens.

That during the fall and spring of 1945 and 1946 several meetings were held between the State, War, and Navy Departments for the purpose of facilitating the entry of the scientists for utilization by both the military and civilian establishments, and that on March 4, 1946, the Coordinating Committee of the State, War, and Navy Departments made some observations including—

That these scientists possess knowledge of such great value to the United States for both military and civilian use that every effort should be made to prevent other nations from exploiting them, it being noted that Great Britain, France, and the U. S. S. R. are already proceeding with a policy of long-range exploitation of the scientists in their zones. It was pointed out that current United States procedures permit short-term exploitation, but that the temporary conditions existing destroy incentives for them to do their best work and utilization of them on a long-range basis is desired.

That to bring the scientists and their families to the United States under the immigration laws, the interested departments will certify to the Joint Chiefs of Staff that the admittance of the individual scientists would be in the national interest. The Joint Chiefs of Staff will cause an investigation to be made of each scientist to ascertain whether he is objectionable as a Nazi and then obtain final clearance from the Department of Justice.

That following this proposal the Joint Chiefs of Staff delegated the specific task of investigation to the Joint Intelligence Objectives Agency (JIOA). The JIOA was composed of members representing the Army, Navy, and State Departments.

That in April 1946 the JIOA held its first meeting. Attending as the State Department representative was one Samuel Klaus. At this meeting the importance of the program was emphasized and the desire of the United States to obtain some 600 scientists out of a total of 1,500 in the American zone. It was also brought out at this meeting the necessity of gaining the scientists on a long-term basis and furnishing an incentive by setting up procedures for eventual naturalization if the scientist qualified under the law. It was also clearly stated that the United States already had approximately 300 of these scientists working in various sections of the United States, some of whom were desired by the Government on a long-term basis.

That on August 30, 1946, the State Department submitted a memorandum to the President requesting approval of the project and to expand it to include a total of 1,000 scientists from selected individuals who would be granted permanent status in the United States under the immigration laws. The President approved the project on September 3, 1946.

That the following month, by letter dated October 1, 1946, to the Secretary of State, the Attorney General agreed to arrange for giving the scientists under this program immigra-

tion status by the preexamination process and obtaining visas in Canada. In short, this letter offered the complete facilities of the Immigration Department in an effort to hasten this important program.

That from the first meeting Samuel Klaus indicated that he did not favor the German-scientist program. At the April 1946 meeting he was requested to furnish the JIOA with the security requirements of the State Department with a view to immigration. The preliminary requirements were finally furnished in June 1946, and read as follows:

That on June 19, 1946, Samuel Klaus prepared a memorandum outlining the basic information required by the State Department in connection with applications of German scientists for visas to enter the United States saying that the memorandum had been prepared for the guidance of JIOA and the sponsoring agencies of the War and Navy Departments and was submitted only for that purpose, and that in that memorandum Mr. Klaus set forth the laws and regulations pertaining to the requirements for the issuance of a visa by a consular officer.

That JIOA worked to comply with the regulations submitted by Klaus and when cases were submitted to the State Department for approval they were turned down on the basis that they still did not answer State Department requirements. A year after the German scientist program was officially under way, not one scientist had been brought to the United States under the program, and on April 9, 1947, almost 1 year after he had sent the State Department's preliminary requirements, Klaus initiated additional requirements which he included in a memorandum that was signed by Hamilton Robinson as Director of the Office of Controls and wherein it is stated that the Department of State finds lacking certain information considered essential if a decision is to be reached which will not jeopardize the security of the United States and that further Klaus listed in the memorandum other information desired which would require examination of numerous records in Germany necessitating months of additional work and that some of the additional requirements included insistence that German SS and SD records be checked in Berlin or wherever else they were in Germany, which Mr. Klaus and Mr. Robinson should have known was an impossible request.

That from the first instance Klaus has used his authority as the State Department representative on the JIOA to delay, obstruct, and confuse the program. He has even gone so far as to state that this may be the policy of the Secretary of State and the President, but it is not the policy of Samuel Klaus. Klaus is alleged to have made this statement before members of the board at one of the first meetings in the summer of 1946. The influence which Klaus wields in the State Department is unbelievable. Wherever the War and Navy Departments touched in an attempt to unravel the confusion it found an official who could not act or say a word until he contacted Klaus.

That Assistant Secretary of State John Hildring received a delegation of high military officials in the fall of 1946, who were determined to see the program underway. Hildring was informed at this time that Klaus was undermining all the efforts of the Army and Navy and it is alleged that he promised to do something about it. Two weeks later when contacted Hildring is alleged to have admitted his inability to cope with the situation.

That Klaus was eventually taken off the JIOA and no substitute was appointed. However, one Rebecca Wellington was named at the instance of Klaus, with no written orders, to act as liaison officer. At that time Rebecca Wellington was an assistant to one Solomon Silver, who occupied a somewhat

nebulous position as a deputy to Hamilton Robinson. Wellington and Silver followed the Klaus line and it is alleged that they have stated that they look upon the War and Navy views askance and take their statements with a grain of salt.

That the State Department, through Klaus, Wellington, and Silver, not only insisted on impossible requirements but also insisted that they be informed relative to the precise details of the scientific programs to be carried out with the Army and Navy, and that Klaus and his cohorts were aware of the pleas of the War and Navy Departments to the effect that time in this scientific research is of the essence, and it will take us 10 to 15 years to catch up on our own with present German developments which are ours for the taking through this scientist program. Every day delay turns more of these scientists into Russian hands. Klaus is aware that these scientists are actually being bought and kidnapped by the Russians, even from the American zones.

That it is significant in considering Klaus' power that 2 weeks after offering his full cooperation in this program and asking what he could do to help the War and Navy Departments, Frederick B. Lyon was no longer Director of the Office of Controls. Dennis Flinn, Lyon's deputy, was anxious to help, but was blocked higher up. Flinn, too, was quickly out of the Office of Controls. Hamilton Robinson replaced Lyon and Solomon Silver took over Flinn's supervisory duties.

That Klaus indicated to the JIOA that he was obsessed with the DP program, and it is known that he personally arranged for 500 to come in through Mexico and another 1,000 direct from Germany. Yet, he could not arrange for even 1 scientist to come to the United States to be placed in a program that was of the utmost interest to the United States.

That to date, March 1948, the German scientist program is still not under way. Klaus and his cohorts in the State Department have succeeded in sabotaging a most important program.

The Visa Division of the State Department is a part of the Office of Controls. Mr. Hamilton Robinson is the Director of Office of Controls. It is not necessary to enter into a minute discussion as to how the Visa and Passport Divisions operate and how they have operated for years. With the advent of Mr. Robinson into the position of Director of Office of Controls, he decided that the Visa and Passport Divisions needed a higher or intermediate echelon of direction and supervision. On February 3, 1947, he created within the Office of Controls a travel-policy committee. On April 16, 1947, he created a committee on immigration and naturalization policy. These committees are composed of employees within the State Department who had no connection with matters of visas or passports; yet, under the organization created by Mr. Robinson, they passed on questions relating to visas and passports. The policy governing matters of visas and passports is a question of law, and no policy committee can change those laws. These committees created by Mr. Robinson did not add to the efficiency of his office, but, on the contrary, created confusion, agitation, and turmoil, as illustrated in the cases of the German scientists; and I submit this is additional evidence of Mr. Robinson's inability to cope with the problems of the State Department.

The following article appeared in the column of a news commentator in the

March 23, 1948, issue of the Washington Post:

Hamilton Robinson would have resigned as State's secretary officer if he hadn't been smeared by a couple of Congressmen who questioned his loyalty. He has no intention of resigning under fire. The former law associate of John Foster Dulles, the Republican foreign-policy adviser, may have some very interesting things to say if and when he does resign.

I speak only for myself when I say that I have never questioned Mr. Robinson's loyalty, neither have I smeared him. It is my honest and sincere belief that the Government is entitled to the best-qualified personnel, and that Mr. Robinson definitely lacks the necessary qualifications for the high and important position to which he was appointed in the State Department.

THE IRON CURTAIN

On September 7, 1941, Hon. Martin Dies, chairman of the Committee on Un-American Activities, of the House of Representatives, charged that at least 50 persons with records of affiliations with Communist-front organizations were employed in a certain Government agency. Since that day much has been said and much has been written about Communists and their fellow travelers being employed in Government agencies. However, little, if anything, was done to rid the Government service of such undesirables. The results of the 1946 election made it apparent that the people of the United States had become disturbed over the existing conditions, and it is all too evident that the new Congress would do something about it. Undoubtedly realizing that the new Congress would act immediately upon convening, the President, on November 25, 1946, issued an Executive order creating the President's Temporary Commission on Employee Loyalty. This Commission was authorized—

To inquire into (a) the standards, procedures, and organizational provisions for the investigation of persons who are employed in the United States Government, or who are applicants for such employment, (b) the removal or disqualification from employment of any disloyal or subversive person, and to prepare a report incorporating any recommendations deemed appropriate in order to improve existing legislative and administrative arrangements in connection with loyalty investigations, administrative responsibility in loyalty standards, standards of loyalty, loyalty adjudication and related matters, so as to protect the Government against the employment or continuance in employment of disloyal, or subversive persons, and assure fair hearings to persons against whom such charges are brought.

Officers of the Department of Justice, Department of State, Department of the Treasury, Department of War, Department of the Navy, and the Civil Service Commission were designated to serve on the Commission as representatives of their respective agencies.

Subsequently the Commission submitted its report, which concludes with the following sentence:

In conclusion, the Commission recommends that this report, together with any Executive order which the President may issue, be submitted to Congress for consideration.

On March 21, 1947, the President issued Executive Order No. 9538, entitled "Prescribing Procedures for the Administration of an Employees Loyalty Program in the Executive Branch of the Government."

I have it on very good authority that Mr. Hamilton Robinson played rather a large part in the drafting of this Executive order. In this connection it is to be noted that when the representatives of the several agencies were designated to serve on the President's Temporary Commission, Mr. Donald S. Russell, the then Assistant Secretary of State, was named to represent the State Department. Mr. Russell resigned on January 20, 1947, and was replaced by Anthony J. Panuch. Mr. Panuch resigned on January 23, 1947, and he was replaced by John E. Peurifoy and Mr. Peurifoy is the man who appointed Mr. Robinson to his present position.

In October 1947 rumor was rife that Government agencies were about to clamp on a blanket of secrecy on the civilian affairs of such agencies. It was then learned that a super secrecy committee, headed by Mr. Hamilton Robinson, had drafted rules of secrecy to be submitted to the President for his approval. The authority for such rules was discovered to be a "sleeper" clause in Executive Order 9835, issued in March 1947. That "sleeper" will be found in part VI of the Executive order under the heading of "Miscellaneous" and is designated as paragraph 2. It reads:

The Security Advisory Board of the State-War-Navy Coordinating Committee shall draft rules applicable to the handling and transmission of confidential documents and other documents and information which should not be publicly disclosed, and upon approval by the President such rules shall constitute the minimum standards for the handling and transmission of such documents and information, and shall be applicable to all departments and agencies of the executive branch.

Now, remember, this Executive order was issued for the express purpose of prescribing procedures for the administration of an employees' loyalty program in the executive branch of the Government and has nothing to do with censorship.

Let us take a look at this super-duper committee. The Directory of Committees, Committee Secretariat of the Executive Secretariat, dated November 1, 1947, reflects that in December 1944 by an exchange of letters between the Secretary of State, the Secretary of the Navy, and the Secretary of War the State-Army-Navy-Air Force Coordinating Committee was established. The committee was reorganized in October. Subsequently this committee created a subcommittee called the Coordinating Subcommittee for Security Control or Security Advisory Board, with Mr. Hamilton Robinson of the State Department as Chairman.

Just as soon as Executive Order 9835 was issued Mr. Robinson and his subcommittee started working on a draft of so-called security regulations for civilian departments and continued working on such regulations for nearly